



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

The comparison, therefore, though it does not show so close a correspondence of accounts as one would expect to find for a commodity the movements of which there are no assignable reasons for concealing, does not show wide enough discrepancies to affect very materially the estimates of the stock of gold in the country.

G. O. VIRTUE.

---

#### ACCOUNTS OF THE FIRST BANK OF THE UNITED STATES.

The first Bank of the United States was obliged by its charter to report its condition to the Treasury Department as often as required, not exceeding once a week. It is well known that Mr. J. J. Knox, when Comptroller of the Currency, found that the existing records do not show that any formal reports were ever made. Two balanced statements were given to Congress by Mr. Gallatin; one in March, 1809, and the other in January, 1811; and it has sometimes been assumed that these were the only reports ever made.

That Mr. Knox's search in the Treasury Department brought no reports to light proves but little. The Treasury Department, it will be recollected, was burned when Washington was occupied by the British forces in August, 1814; and it was burned again in March, 1833. The official statements made to Congress as to the documents and books lost and saved on these two occasions raise a presumption that any such reports, if in existence at the time of either conflagration, would not have been among the papers saved, the effort being made in both cases to save primarily what was needed for the current public service. The failure, therefore, to discover at the present time a set of papers, which even in 1814 had only an historical value, cannot be regarded, under the circumstances, as having any weight.

There are, however, many pieces of evidence scattered in the public documents tending to show that the bank was required by the Treasury Department to make frequent report of its condition, and that it did so in obedience to the law.

The most complete account which we have is that which was sent to the House in January, 1811, as above stated, and is given in *State Papers on Finance*, Vol. II., page 468. This statement, made in much detail, is said by Mr. Gallatin in the letter communicating it to be "extracted from the latest returns received at this office from the bank." It was then one of a series. The return of 1809 above referred to, printed *ibid.*, page 352, although a balanced account, is given in round numbers and has been stigmatized as an account "trumped up"; but Mr. Gallatin's letter transmitting it states expressly that the amount of the principal items "is taken on a medium,"—that is, it is an averaged account, and no more "trumped up" than the averaged accounts now published weekly by the clearing-house. Mr. Gallatin's language shows that he preferred to give an averaged account, because it better represented the ordinary condition of the bank than the actual figures at the date of his report; and, as the question before Congress related to a renewal of the charter, it was the ordinary condition of the bank which Congress most needed to understand. For the present purpose, however, the important point is that, in making a statement "taken on a medium," Mr. Gallatin probably had before him the various detailed statements of which this medium is the average. In one other instance we have direct evidence that an account of the bank was in possession of the government. In Gallatin's *Writings*, Vol. I., page 59, Jefferson writes to Gallatin, November 11, 1801, giving a comparative table of certain items in the accounts of the Bank of the United States and of banks in several of the principal cities. If we take the items relating to the Bank of the United States and arrange them in their proper form, we find that they make up an account as follows:—

<i>Liabilities.</i>		<i>Resources.</i>	
Capital, . . . . .	\$10,000,000	Discounts, . . . . .	\$12,150,000
Undivided Profits, . .	40,000	Six per cent. and ad-	
Notes, . . . . .	5,200,000	vance to gov't, . .	5,460,000
Deposits,		Due from banks, . .	1,450,000
Government, . . .	3,560,000	Specie, . . . . .	5,000,000
Individual, . . .	5,240,000		
	<u>\$24,040,000</u>		<u>\$24,060,000</u>

It is sufficiently evident that Jefferson in this case had a balanced account of the bank which he simplified by throwing off the thousands, this process causing the discrepancy which appears in the totals of debit and credit.

Besides these references to other statements than those now known to exist, there are numerous significant allusions to be found in Gallatin's correspondence and in the debates in Congress upon the proposed renewal of the charter. Thus, in Gallatin's *Writings*, Vol. I., page 80, we have Gallatin in June, 1802, comparing the condition of the Bank of Pennsylvania with that of the Bank of the United States. To cite only one passage from the debates, we find Mr. Finley, on April 30, 1810, saying in the course of his speech that "the Secretary of the Treasury has, for the time being, had authority by law to inspect the directors of the bank, and did do it, and obtained weekly returns of its situation." In Gallatin's communication to the House, January 10, 1811, in *State Papers on Finance*, Vol. II., page 460, there are significant references to "the returns made to the Treasury," and "the official statements transmitted in conformity with . . . the charter," and the like. And in Mr. Gallatin's well-known *Considerations on the Currency and Banking System*, published in 1831, we find him making a general statement as to the proportion which the loans made and stocks owned by the bank bore to its capital for the whole of its existence,—a statement which a man of his caution never made without full documentary evidence. In short, there is ample reason to believe that, when the stockholders declared in their petition for a renewal of the charter, in April, 1808, "that the confidence of the government [was] founded upon a constant knowledge of the interior management and condition of the bank," they told the truth. Indeed, it is inconceivable that they should have made this statement to a Congress in which their opponents had the majority, if there had been any possibility of a denial.

That the accounts given to the Treasury Department were not made public, as they would be in our own day, is not surprising, when we see the different view then commonly held as to giving publicity to such statements. For example, in Jefferson's letter of November, 1801, referred to above, it will be

observed that he suggests that statements from the State banks should be generalized, and the total of the yearly average should be presented to Congress. "It would give us," he says, "the benefit of their and of the public observations, and betray no secret as to any particular bank." And it will be recollected that at that period the Bank of England, on which the Bank of the United States was closely modelled, made no publication of its accounts, and that it was not until 1834 that even a quarterly statement was required to be made. In the earlier part of the century the public could learn nothing as to the condition of the bank, except the selected facts cautiously given out in Parliamentary investigations. Mr. Tooke, in his evidence before the committee of 1832, in *Parliamentary Documents*, 1831-32, Vol. VI., described the accounts thus given of the cash held by the bank at some critical periods as "mystical"; and some important witnesses, even in 1832, maintained that to give the bank accounts to the public, especially to state the amount of bullion held, might be a mischievous practice. It is not surprising, then, that the accounts of the first Bank of the United States down to 1811 were regarded as confidential. That under the seal of confidence they were regularly made, from an early period and probably for the whole of the bank's existence, seems to be more than probable.

D.

---

#### MINER'S LIFE IN THE GERMAN HARZ.

Perhaps no page of industrial history is more tragic than that which tells the story of the miner's life. This element is frequent enough in the record of the Harz Mountain, now covering between five and six centuries; yet the pleasanter and more hopeful features are quite as prominent. Romance, song, and legend are such large part of this record as to give it much epic character. The great changes from patriarchal to modern business methods are so recent that the old miner knows and cares more about the past ways than about the present. In every little mining town and valley traditions that have their roots in the thirteenth, fourteenth, and fif-